

## **STATEMENT OF PURPOSE**

### **RS18630**

This is a revenue generating bill to address the increasing shortfall in money to maintain and preserve Idaho highways. The bill is to place a 6% special tax on the rental fee paid by users of rental motor vehicles in the State of Idaho, effective July 1, 2009. The funds raised by this 6% charge, except for a small portion of the funds that go to administrative costs per statute, will be deposited into a dedicated fund established for maintenance, preservation, and restoration of State highways. By the terms of that dedicated fund, 40% will go to local government units, and 60% will go to the Idaho Transportation Department.

### **FISCAL NOTE**

This bill will result in an estimated revenue increase of \$2 million, with \$1.2 million going to the Idaho Transportation Department.

#### **Contact:**

**Name:** Representative Leon E. Smith

**Phone:** (208) 332-1000